



EUROPEAN
COMMISSION

Brussels, 26.10.2022
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COMMISSION DECISION

of 26.10.2022

on the financing of the activities by the Innovation Fund, serving as the financing decision for 2022 and as a decision launching the third calls for proposals

(Text with EEA relevance)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund², and in particular Article 9 thereof,

Whereas:

- (1) The Innovation Fund, established by Article 10a(8) of Directive 2003/87/EC of the European Parliament and of the Council³, is one of the key Union financing programmes contributing to the achievement of the objectives of the European Green Deal⁴ and, in particular, of Regulation (EU) 2021/1119 of the European Parliament and of the Council⁵, which commits the Union to achieving climate neutrality by 2050.
- (2) In order to ensure the implementation of the Innovation Fund, it is necessary to adopt an annual financing decision for 2022.
- (3) The REPowerEU Plan⁶ recognises the Innovation Fund as a key innovation and decarbonisation instrument and stresses its importance in the diversification of the energy supplies. Considering the urgency to decrease fossil fuels imports and investment challenge associated with that objective, it is necessary to accelerate the implementation of the Innovation Fund, in particular through the third call for large-scale projects. In this regard, the REPowerEU Plan anticipates the increase of the

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 140, 28.5.2019, p. 6.

³ OJ L 275, 25.10.2003, p. 32.

⁴ COM (2019) 640 final of 11 December 2019.

⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (OJ L 243, 9.7.2021, p. 1).

⁶ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions RepowerEU Plan of 18 May 2022 (COM/2022/230 final).

budget for that call to around EUR 3 000 000 000 and the creation of a specific REPowerEU window to support innovative electrification and hydrogen applications in industry, innovative clean tech manufacturing, and mid-sized pilot projects for validating, testing and optimising highly innovative solutions. These elements should be reflected in the design of the third call for proposals for large-scale projects.

- (4) This Decision should enable the financing of the preparation for the Commission to launch the third calls for proposals and the calls for proposals themselves, namely the call for the large-scale projects to be published in November 2022, and the call for the small-scale projects to be published in April 2023. This Decision should also specify the modalities for the launch of those calls.
- (5) For purposes of efficiency, pursuant to Article 62(1)(c) of the Financial Regulation indirect management is to be used for the implementation of the project development assistance.
- (6) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation. To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation before a contribution agreement can be signed.
- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.
- (8) The financing of the activities by the Innovation Fund is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union.
- (9) In order to allow the flexibility in the implementation of the activities related to the Innovation Fund, it is appropriate to allow changes, which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (10) Given the uncertainty as regards the volume of the Innovation Fund revenues, it is important to enable the authorising officer to enter legal commitments subject to availability of that revenue.
- (11) Member States have been consulted as provided for in Article 9(1), Article 14(2) and Article 21(2), point (b), of Delegated Regulation (EU) 2019/856,

HAS DECIDED AS FOLLOWS:

Article 1 *Scope*

The decision for the financing of the activities related to the Innovation Fund for the year 2022 and the launching of the calls for proposals for the Innovation Fund support, in accordance with the modalities set out in the Annex, is adopted.

Article 2
Global budgetary envelope

The estimated maximum budgetary envelope for the implementation of the Innovation Fund for the year 2022 is set at EUR 3 121 000 000, and it shall be financed by the revenues from the auctioning of the allowances destined for the Innovation Fund and by any non-disbursed revenues from the NER300 programme, entered as external assigned revenue in the general budget of the Union:

budget line 16.03.01: EUR 3 121 000 000.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations at the time of entering into legal commitments by the authorising officer.

Article 3
Methods of implementation and entrusted entities

The implementation of the activities carried out by way of indirect management, as set out in the Annex, shall be entrusted to the European Investment Bank.

Article 4
Flexibility clause

Cumulated changes to the allocations to different activities, as set out in the Annex, not exceeding 20% of the maximum budgetary envelope set in the first paragraph of Article 2 of this Decision shall not be considered to be substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where those changes do not significantly affect the nature of the activities and the objectives of the Innovation Fund.

The maximum budgetary envelope set in Article 2, first paragraph, may be adjusted to the amount of appropriations resulting from the auctioning of the Innovation Fund allowances prior to entering into individual legal commitments, provided that the change does not exceed 20 %.

The authorising officer responsible may apply the changes referred to in the first and second paragraphs. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 26.10.2022

For the Commission
Frans TIMMERMANS
Executive Vice-President